

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 9331-S
NATURAL GAS COMPANY, INC.)	

O R D E R

On December 19, 1985, the Commission issued its Order in Case No. 9331 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On June 26, 1990, Delta Natural Gas Company, Inc. ("Delta") filed its quarterly GCA, which is to become effective August 1, 1990 and is to remain in effect until November 1, 1990.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice of June 26, 1990 set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers in the amount of 6.38 cents per Mcf, excluding take-or-pay billings. Delta's expected gas cost for the quarter beginning August 1, 1990 is \$3.0655 per Mcf.

Delta's notice set out a take-or-pay recovery component of 7.83 cents per Mcf, which decreased .01 cents per Mcf from its

last GCR filing. Delta should be prepared to support the amount of its take-or-pay actual adjustments at the time of its GCR field reviews.

2. Delta's notice set out a total refund adjustment of 4.96 cents per Mcf. This adjustment is composed of past refund adjustments that are still in effect, with no current quarter adjustment. There is no change in the total refund adjustment from the previous to the current GCR filing.

3. Delta's notice set out a current quarter actual adjustment in the amount of (28.33) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of February, March and April 1990. The total actual adjustment of (8.45) cents per Mcf, which is designed to correct the current over-collection as well as under- and over-collections from three previous quarters, results in a 15.95 cent per Mcf decrease in Delta's retail rates.

4. Delta's notice set out a balance adjustment of (5.00) cents per Mcf, to replace the previous adjustment of (6.53) cents per Mcf. This balance adjustment compensates for over-collections which occurred as a result of previous gas cost, actual, refund, and balance adjustments. The effect on retail rates is a 1.53 cent per Mcf increase.

5. The combined effect of the above adjustments is Delta's proposed gas cost recovery rate ("GCR") in the amount of \$2.9597 per Mcf, which is a decrease from its last approved GCR in the amount of 20.81 cents per Mcf.

6. Delta's adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 9331 dated December 19, 1985, is fair, just, and reasonable, in the public interest and should be effective with final meter readings on and after August 1, 1990.

7. In its filing dated June 26, 1990, Delta requested confidentiality for Schedule VI. Confidentiality should be granted on an interim basis pending the Commission's review of all gas supply confidentiality requests.

IT IS THEREFORE ORDERED that:

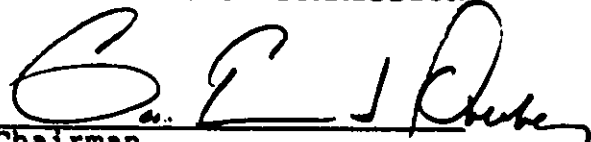
1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with final meter readings on and after August 1, 1990.

2. Within 30 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

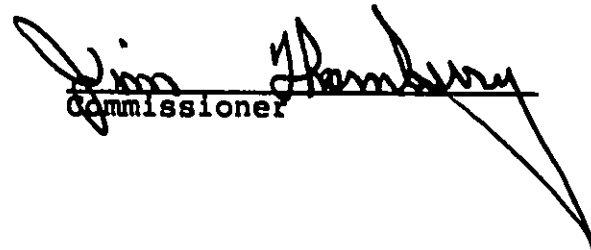
3. Delta's request for confidentiality is hereby granted on an interim basis pending Commission review of all gas supply confidentiality requests.

Done at Frankfort, Kentucky, this 1st day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9331-S DATED 8/01/90

The following rates and charges are prescribed for the customers served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers who purchase their entire natural gas requirements from Delta.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
	plus		equals
General Service			
Monthly Customer Charge			\$3.98
1 - 1,000 Mcf	\$2.0379	\$2.9597	4.9976 per Mcf
1,001 - 5,000 Mcf	1.8920	2.9597	4.8517 per Mcf
5,001 - 10,000 Mcf	1.5858	2.9597	4.5455 per Mcf
Over 10,000 Mcf	1.2795	2.9597	4.2392 per Mcf
Interruptible (2)			
1 - 1,000 Mcf	\$1.7826	\$2.9597	\$4.7423 per Mcf
1,001 - 5,000 Mcf	1.6368	2.9597	4.5965 per Mcf
5,001 - 10,000 Mcf	1.3306	2.9597	4.2903 per Mcf
Over 10,000 Mcf	1.0243	2.9597	3.9840 per Mcf
Transportation of Gas for Others			
On-System Utilization			

To the applicable rates and charges in effect for on-system transportation customers shall be added a take-or-pay recovery component of \$.0783 per Mcf.